

OPINION

By: Associate Professor **Ralitsa Simeonova-Ganeva**, Ph.D., Sofia University St. Kliment Ohridski, Faculty of Economics and Business Administration

Regarding: The application of the following candidates for habilitation as **ASSOCIATE PROFESSOR** according to the Bulgarian legislation at the American University in Bulgaria in Area of Higher Education 3. Social, Economic, and Legal Sciences in Professional Field 3.8 Economics. The procedure has been announced in the State Gazette issue dated September 9, 2014, issue 75.

Candidate: **Dr. Didar Erdinc**, American University in Bulgaria

I present the evaluation below in my capacity as a member of the Habilitation Jury appointed for the above mentioned procedure by a letter of the AUBG President dated November 6, 2014 and according to a Decision of AUBG dated August 19, 2014. This evaluation is based on the *Development of Academic Staff in the Republic of Bulgaria Act*, the Rules for its implementation, the internal AUBG rules, regulations, and policies, including the *Habilitation Procedure* and the habilitation procedure advertisement on the AUBG website.

Evaluation of the Applicants

*The evaluation is carried out according to the **Primary Indicators and Additional Indicators** included in the document **Guidelines for the Habilitation Jury**.*

I. Basis for Evaluation

Please indicate on what information this evaluation is based - documents submitted by the Candidate, professional activities, publications, e.g.:

- monograph(s): 1 (forthcoming)
- articles in refereed journals specialized in the area: 12 published articles and one under review
- non-refereed publications; conference reports; other publications
- citations
- professional memberships
- other activities: service activities, e.g. advising, academic affairs

II. Eligibility (Enclosure 1).

I confirm that the candidate completely satisfies all the criteria required for the Associate Professor position and strongly support the candidature of Dr. Didar Erdinc.

III. Areas of Research of the Candidate. Evaluation of the Contributions of the Candidate.

1. *The principal areas of the Candidate's research include **Banking, credit, and monetary mechanisms, corporate culture, and FDI in emerging European economies; Economic development among religious or ethnic minority populations; Banking and financial crisis and macroeconomic uncertainty; Panel data econometrics.***

2. *Additional Requirements list (Enclosure 2).*

I find that the Candidate's areas of research fully comply with the specific requirements of the current procedure.

3. *Brief evaluation following the Primary and Additional Indicators, of the Candidate's major theoretical and applied results and contributions.*

The candidate's research interests are in the field of Banking, credit, and monetary mechanisms, corporate culture, and FDI in emerging European economies; Economic development among religious or ethnic minority populations; Banking and financial crisis and macroeconomic uncertainty; Panel data econometrics. The candidate has successfully developed a strong record of publications in these areas and has proved to be a constant contributor of original ideas in various areas like:

- Credit market imperfections and banking crisis in the European Union:
 - The candidate surveys the problem with credit market imperfections and the application of the Friedman Rule, and provides evidence that monetary policy based on the Friedman Rule may be suboptimal in maximizing social welfare and economic growth ("Suboptimality of the Friedman Rule under Credit Market Imperfections", 2007).
 - Other explorations are devoted on the role of advanced risk management techniques for the level of non-performing loans (NPL) in emerging and advanced European banks for the period of 2000-2011 ("The Effect of Regulatory and Risk Management Advancement on Non-Performing Loans in European Banking, 2000-2011", submitted for publication).
- Banking in emerging European economies, in particular on Bulgarian banking, monetary transmission, credit markets and currency board in Bulgaria:
 - Some of her research interests are focused on the robustness and fragility of the banking sector in Bulgaria. The candidate studies in details bank performance and credit availability in Bulgaria and provide empirical evidence on increased banking fragility caused by excessive risk taking by banks with weak capital base during the observed credit boom in the period 1999-2006 ("Bank Performance and Credit Availability in the Bulgarian Banking Sector, 1997-2001", 2003; "From credit crunch to credit boom: transitional challenges in Bulgarian banking (1999 - 2006)", 2009; "Does a Credit Boom Increase Bank Fragility? Transitional Challenges in Bulgarian Banking, 1999-2008", 2010; "Monetary Transmission and Bank Lending Channel under the Currency Board: The Case of Bulgaria, 1999-2010", 2013).
 - Some of her publications are devoted to the discussion of currency board implications in which she argues that the currency board in Bulgaria proved to be a major factor for macroeconomic stability and rebuilding confidence in the economy but yet should be complemented by additional economic and institutional reforms ("Currency Board Alone is No Panacea for Bulgarian Economy", 1999).
- FDI in emerging economies – her main contribution in the field is a thorough survey on the determinants of relatively low level of FDI compared to Central and Eastern Europe countries (CEECs), in which she provides estimates of the impact of macroeconomic factors and growth on the FDI patterns of Turkey and CEECs using panel data, and empirically confirms that low

inflation and growth performance have relatively stronger positive impact on FDI in Turkey as compared to the CEECs (“Determinants of Foreign Direct Investment Patterns: A Panel Comparison of Turkey with the New European Member States (the Central and Eastern Europe)”, 2008).

- Further to the studies on FDI, the candidate addresses an interesting problem which is still underdeveloped in economic empirics, namely the impact of workers’ remittances on growth, investment and consumption. In a panel data framework, the impact has been studied for a number of CEECs in comparison to Latin America and the Middle East-North Africa-Turkey, and findings indicate for a positive effect of the amount of remittances in CEECs on investment and consumption leading to a subsequent increase in growth. Implications of the study suggest that workers’ remittances could be a positive impulse for growth due to their significance for investments through utilising informal channels of financing, especially in economies with considerable liquidity constraints (“Workers’ Remittances and Growth in Central and Eastern Europe”, 2008).
- Cultural and ethnicity aspects of economic transition, development and convergence, and formation of corporate culture:
 - Economic situation of Turkish minorities and ethnicity in Bulgaria, Bulgarian-Turkish political and economic relations – in her research the candidate addresses the problem with the higher economic cost of transition on the ethnic minorities in Bulgaria, such as Turks, Pomaks and Gypsies, than that on the rest of the population in the 1990s (“Bulgaristan’daki değişim sürecinde Türk azınlığın ekonomik durumu [Economic Situation of Turks and Pomaks during Bulgarian Transition]”, 2002). Other issues discussed by the candidate include socio-economic and political stability in the context of the Bulgarian ethnicity model (“The Bulgarian Model of Ethnic Peace During Transition to Democracy”, 2002) and the Bulgarian-Turkish economic and political relations (“Only an EU Apart: Bulgarian-Turkish Economic and Political Relations in the Post-Accession period”, 2013).
 - Corporate culture in Bulgaria - the main contribution to this field is the study of the impact of communism and transition on the corporate culture patterns in Bulgarian organizations (“Corporate Culture in Transition: Case Study Evidence from Bulgaria”, 2001).
 - The role of cultural differences for economic growth and convergence – the candidate contributes to the discussion by exploring the significance of cultural indicators (based on Hofstede’s indexes) using a panel data of 163 countries over the period 1970-2012. Empirical findings acknowledge the significant effect of cultural differences on growth and existing divergences in economic development (*The Impact of Cultural Diversity on Economic Growth and Convergence*, 2015)
- Panel data econometrics –the scope of the academic courses and the empirical research record of the candidate confirm her keen interest and high professionalism in applied panel data econometrics.

IV. Evaluation of the Candidate's teaching

1. *Brief evaluation according to the Additional Indicators related to teaching.*
2. *Additional Requirements (Enclosure 2) set forth by AUBG for this procedure.*

I confirm that the candidate teaching experience and practice completely correspond to the additional requirements – the courses taught by the candidate are in the field of Banking, credit, and monetary mechanisms, corporate culture, and FDI in emerging European economies; Economic development among religious or ethnic minority populations; Banking and financial crisis and macroeconomic uncertainty; Panel data econometrics.

3. *Please state your opinion with regard to the correspondence between the overall teaching experience of the Candidate and the specific requirements of the current procedure.*

The candidate has a thorough experience in teaching a wide variety of courses at introductory and advanced level. **Didar Erdinc** has been a keen researcher in the subjects she teaches as attested by her publications record.

VI. Conclusion:

On the basis of the above, herewith I acknowledge that the publication and teaching activity of Didar Erdinc fully complies with the general and specific requirements for habilitation to the rank of Associate Professor.

Therefore, I strongly support the candidature of Didar Erdinc for the position of ASSOCIATE PROFESSOR.

In my capacity of a member of the Habilitation Jury I will confidently and conscientiously vote in her favour.

Signature and date:


04/01/2015

By signing here I also declare that writing this opinion does not represent conflict of interest.

American University in Bulgaria

Eligibility Checklist

Name of the Candidate: Didar Erdinc

Applying for habilitation as: Associate Professor at the American University in Bulgaria according to announcement in State Gazette, issue № 75, dated 9 September 2014

In Professional Field: 3.8 Economics

Check below what applies. Sign and submit together with your review or opinion.

YES The Candidate has Ph. D.;

YES The Candidate has served five years as (Senior) Assistant Professor (for applicants for Associate Professor) or six years as Associate Professor (for applicants to Full Professor) at a recognized academic institution;

YES The Candidate has published a monograph or publications of equal standing in specialized journals. These should not repeat publications based on which Ph. D., or Doctor of Science degree, or Associate Professor Rank was granted;

N.A. For applicants for Full Professor: The Candidate has other original research works, publications, and other theoretical or applied-theoretical works;

YES The Candidate has experience from recognized academic liberal arts institution(s);

YES The Candidate has experience in student-centred teaching approach;

YES The Candidate has undergone at least one successful evaluation in teaching, research and service at a recognized academic liberal arts institution, including positive student evaluations of teaching.

YES The Candidate has experience in teaching in English at a higher education institution with instruction in the English language.

YES AUBG can ensure teaching and research load according to its internal rules and regulations.

Signature and date:


04/01/2015

Additional Requirements

For Associate Professor Academic Position in Professional Field 3.8 Economics

Additional specifications: Banking, credit, and monetary mechanisms, corporate culture, and FDI in emerging European economies; Economic development among religious or ethnic minority populations; Banking and financial crisis and macroeconomic uncertainty; Panel data econometrics.

Name of the Candidate: **Didar Erdinc**

Check below what applies. Sign and submit together with your review or opinion.

Research

The Candidate has conducted research in the following areas:

- ☒ Banking, credit, and monetary mechanisms in emerging European economies - YES
- ☒ Corporate culture in emerging European economies - YES
- ☒ FDI in emerging European economies - YES
- ☒ Economic development among religious or ethnic minority populations - YES
- ☒ Banking and financial crisis and macroeconomic uncertainty - YES
- ☒ Panel data econometrics - YES

Teaching

The Candidate has teaching experience in the following areas:

- ☒ Theoretical and applied econometrics - YES
- ☒ Macroeconomics - YES
- ☒ Managerial economics - YES
- ☒ Open economy macroeconomics - YES
- ☒ Financial markets and institutions - YES
- ☒ Economics of transition and regional economic integration - YES
- ☒ Microeconomics - YES
- ☒ Industrial organization - YES
- ☒ International finance - YES

Signature and date:


04/01/2015